



**Office of the Attorney General
Paul G. Summers**

NEWS RELEASE

Office of the Attorney General at
P.O. Box 20207 Nashville, TN 37202-0207

FOR IMMEDIATE RELEASE

Aug. 27, 2004
#04-19

CONTACT:

Sharon Curtis-Flair
(615) 741-5860

**TENNESSEE TO RECEIVE \$1.7 MILLION FROM NEW MASTER SETTLEMENT
TOBACCO PARTICIPANT**

Tennessee expects to receive about \$1.7 million in its first settlement payment from the newest participating manufacturer to the tobacco Master Settlement Agreement, Attorney General Summers announced today.

Vibo Corporation of Miami, Florida recently joined the tobacco Master Settlement Agreement (MSA) as a Participating Manufacturer. Vibo, which does business as General Tobacco, sells a number of cigarette brands such as Bronco, GT One, Silver and Champion.

Participating manufacturers must make substantial payments to the states as a result of the MSA. As the newest participant, Vibo made an immediate payment of \$78 million to the MSA states. The company will make full payment of its ongoing obligations in quarterly payments to the states in each succeeding year.

“Under current market conditions, this agreement will be worth \$1.7 billion to all the states over the next ten years,” said Attorney General Summers. “Tennessee's share will be about \$41,480,000.”

The MSA was originally entered into between 46 States and the major tobacco companies in November 1998. Since that time, more than 40 other companies have joined the MSA. Participating manufacturers under the MSA are also bound by a wide array of restrictions on the advertising, promotion and marketing of cigarettes, including outright bans on targeting youth, outdoor advertising, and distribution of any merchandise advertising a cigarette brand. Since the

MSA took effect, youth smoking rates nationally have dropped by more than 25% and overall smoking has declined nearly 20%.

Vibo's decision to join the MSA is especially significant because the company represents by far the largest tobacco product manufacturer remaining outside the MSA. Vibo is the exclusive U.S. importer of cigarettes from Protabaco, S.A., of Bogota, Colombia, and today's agreement binds Protabaco to sell all of its cigarettes in the U.S. through Vibo and in accordance with the MSA.